

## **PURPOSE OF THE COMMITTEE PRINT**

The purpose of the committee print approved by the Committee on Resources is to reduce the budget deficit by increasing reliable domestic energy supplies, selling surplus federal lands to aid local communities in economic development, and modernizing the Nation's mining laws by increasing patent and claim maintenance fees.

## **BACKGROUND AND NEED FOR LEGISLATION**

The committee print is comprised of new provisions as well as provisions already debated and approved by the full Resources Committee and/or the House of Representatives during recent energy bill debate, including the National Energy Supply Diversification and Disruption Prevention Act approved by the Committee on Resources on September 28, 2005, by a vote of 27 to 16.

The committee print would reduce the budget deficit in future years by requiring the government to sell certain federal lands to support local economic development, lease a portion of the Arctic Coastal Plain for oil and natural gas development, establish new fees and increase existing fees for the use of resources on public lands, lease new areas of the outer Continental Shelf for oil, natural gas and alternative energy development, and lease portions of federal oil shale resources for oil and natural gas development.

### ***SUBTITLE A - ARCTIC COASTAL PLAIN DOMESTIC ENERGY***

Subtitle A facilitates production of an estimated 10.4 billion barrels of domestic oil from the Arctic Coastal Plain by requiring the Secretary of the Interior to lease a portion of the 1002 area of the Arctic National Wildlife Refuge (ANWR) for responsible oil and natural gas development under the world's most stringent environmental standards. These include limiting the total surface disturbance to 2,000 acres (this would be the same area as 1/5th the size of Dulles Airport). In fact, Subtitle A contains the most stringent environmental protection requirements ever applied to federal energy production, according to the Secretary of the Interior.

Subtitle A also expressly prohibits export of oil produced from the coastal plain - this oil is designated for U.S. consumption only. The Congressional Budget Office has determined that this provision will generate \$2.5 billion in receipts to the federal treasury over the next five years.

### ***SUBTITLE B - MISCELLANEOUS AMENDMENTS RELATING TO MINING***

Subtitle B modernizes federal minerals policies to promote sustainable economic development in rural Western communities, encourages domestic investment, creates high paying jobs and ensures a fair return to the U.S. taxpayer. The Subtitle increases the location fee (a filing fee to record mining claims with the federal government) more than three-fold, and addresses an issue of U.S. competitive disadvantage by establishing a tiered claim maintenance fee (annual fee paid to keep mining claim) to encourage domestic investment and the creation of jobs. Subtitle B also establishes a small miner claim maintenance fee; current law waives this annual fee for these small miners that are defined as holding 10 claims or less. Most importantly, this Subtitle eliminates the patent moratorium and increases the patent fee. Patenting is the process of "privatizing" or taking title to the land surface associated with mining claims. Subtitle B increases the patent fee from the current \$2.50 - \$5.00/acre price to \$1,000/acre or fair market value, whichever is greater. Patent fees are distributed as follows: 70 percent to the federal treasury; 20 percent to the hardrock abandoned mine land reclamation program to restore mined lands; and 10 percent to education and job training in the mining and petroleum fields. Subtitle B further provides for the opportunity of purchase of certain federal lands for \$1,000/acre or fair market value, whichever is greater, to facilitate sustainable economic

development in resource-dependent communities. The Congressional Budget Office concluded that modernizing the Nation's mining laws – first enacted in 1872 and little changed since – will result in over \$150 million flowing to federal coffers.

#### *SUBTITLE C - DISPOSAL OF PUBLIC LANDS*

Subtitle C provides for the sale of certain federal lands in Nevada and Idaho for continued economic development in rural communities. More specifically, in Nevada, 7,000 acres of Bureau of Land Management land in Pershing County, Nevada, would be sold to the Coeur Rochester Mining Company for \$3.5 million, with the funds being split \$2.9 million to the federal treasury, \$500,000 to Nevada's abandoned mine reclamation program to restore mined lands, and \$100,000 to Pershing County. The Rochester Mine – the largest employer and economic driver in Pershing County – is at the end of its mine life and will be closing within two years. The Coeur Rochester Mining Company is developing plans for post-mining projects on-site, including a land fill, which would not be an allowable use on federal lands. This directed sale is supported by the County and will help sustain the economy of the region. Absent this sale authority, the Bureau of Land Management indicated it would take a minimum of five years to complete a sales transaction for the land fill project to move forward.

In Idaho, the Bureau of Land Management will sell 519.7 acres in Custer County to L&W Stone Corporation for \$519,700. Of this amount, \$120,000 will go to the federal government, \$200,000 to the State of Idaho for State parks, and \$200,000 to Custer County. L&W Stone is one of the largest employers and economic drivers in Custer County. Without this directed sale, the company will be required to scale back production, forcing it to lay off 50 percent or more of its employees, jeopardizing the long-term economic viability of the project and severely affecting the economy of the surrounding community.

The composite Congressional Budget Office score for this Subtitle is \$3 million over the next 5 years

#### *SUBTITLE D - OIL SHALE*

Subtitle D expedites the development of much-needed oil and natural gas from federal oil shale resources located in the western U.S. The United States is the Saudi Arabia of oil shale, with estimated reserves of 1.5 trillion barrels of oil and natural gas locked up in primarily three States: Colorado, Utah and Wyoming. Under the existing Mineral Leasing Act, there is no royalty framework in place for oil shale. This Subtitle establishes one based on the successful model utilized to develop the Alberta, Canada, oil sands into an oil production leader currently producing approximately 1 million barrels of oil per day. Subtitle D requires the Secretary of the Interior to conduct a commercial lease sale of at least 35 percent of the federal lands that contain oil shale and oil sands resources, and establishes "host" State and county compensation for their support of oil shale and oil sands resource development. Of the non-federal share of oil shale and oil sand lease receipts, two-thirds goes to host States, and one-third goes to host counties. Subtitle D also provides that during the first ten years of production from a lease the "host" States and counties will receive 80 percent of the federal share of lease revenue. These funds may be used by the State and counties to support infrastructure related to oil shale and oil sands production. All told, during the first 10 years, the host States and counties would receive 90 percent of all the money generated. The Congressional Budget Office estimates that this Subtitle would bring \$50 million over the next 5 years to the federal treasury.

#### *SUBTITLE E - OCEAN ENERGY RESOURCES*

Subtitle E encourages responsible domestic investment and development of oil, natural gas and alternative energy on the outer Continental Shelf (OCS), the creation of jobs, coastal

States self-determination and just compensation for supporting energy development, as well as the assurance of domestic energy and economic security for the future.

The Subtitle codifies the existing Presidential withdrawal prohibiting leasing on portions of the OCS through its current expiration date of June 30, 2012. It further establishes a 125-mile OCS coastal State self-determination zone giving the Governor and State Legislature the sole authority to lease or not lease in this area. If a State decides to allow leasing, the Secretary of the Interior is to lease new areas of the outer Continental Shelf for oil, natural gas and alternative energy development. Once this is done, the Subtitle establishes an equitable system of revenue-sharing for States that support energy development in their State Adjacent Zones. Moreover, Subtitle E allows for the issuance of a new class of leases - natural gas leases - within 125 miles of the coastline within currently withdrawn areas.

Subtitle E also promotes wildlife conservation by establishing and funding the Federal Energy Natural Resources Enhancement Fund; promotes education and job training at the university, community college and vocational technical levels by establishing and funding the Federal Energy and Mineral Resources Professional Development Fund; and promotes geologic mapping and the preservation and use of geologic data by establishing and funding the National Geologic Data and Mapping Fund. These Funds are all capitalized by receipts from the OCS. Furthermore, Subtitle E promotes marine life by establishing a federal "Rigs to Reefs" program where offshore structures can be made safe and used to support colonies of marine life.

The Congressional Budget Office estimates that Subtitle E will provide more than \$800 million to the federal government over the next five years.

#### *SUBTITLE F - SALE AND CONVEYANCE OF FEDERAL LAND*

On July 15, 2005, the Office of Management and Budget submitted to Congress a legislative proposal to provide for the conveyance of underutilized federal lands by the United States to the District of Columbia and for the conveyance to the United States by the District of Columbia several buildings and the underlying real property. The proposal also provided for the transfer of administrative jurisdiction of certain federal lands from the federal government to the District of Columbia and from the District to the National Park Service. The Administration believes that the properties to be conveyed to the District are not providing substantial value to the federal government and that some in fact are unnecessary burdens. The National Park Service believes that the land could be better used by the District for economic development.

In an effort to meet its 2005 Budget Reconciliation instructions, the Committee on Resources elected to make available 19 parcels of underutilized federal land (approximately 122 acres) for competitive sale while still conveying title to 13 parcels of National Park Service land (approximately 20 acres) to the District of Columbia. Proceeds from the sale of the 19 parcels would be directed to the U.S. treasury for debt reduction, and the District of Columbia will benefit from the increased tax revenue as a result of future development on these lands. The Congressional Budget Office has estimated that the revenue collected from the sale of the 19 parcels would over \$120 million for the United States.

#### **COMMITTEE ACTION**

On October 26, 2005, the full Committee on Resources met in open session to consider a Committee Print entitled "Recommendation for Budget Reconciliation." The following amendments were considered:

Chairman Richard Pombo (R-CA) offered three technical amendments en bloc to Subtitles B, E and F. The en bloc amendment was adopted by voice vote.

Congressman Edward Markey (D-MA) offered an amendment to strike Subtitle A (Arctic Coastal Plain Domestic Energy) and require instead that the Secretary of the Interior raise royalties, rents and other fees on existing federal domestic onshore and offshore oil and gas development to total \$2.4 billion by October 1, 2010. The amendment was defeated by a roll call vote of 10 ayes to 21 noes, as follows:

Congressman Ron Kind (D-WI) offered an amendment to Subtitle A to require a legally binding agreement between the United States and the State of Alaska regarding an equal distribution of revenues before section 1003 of the Alaska National Interest Lands Conservation Act of 1980 is repealed. The amendment was defeated by a roll call vote of 11 ayes to 25 noes, as follows:

Congressman Raul Grijalva (D-AZ) offered an amendment to Subtitle A to require a certain legally binding agreement between the Secretary of the Interior and Arctic Slope Regional Corporation regarding revenue sharing before section 1003 of the Alaska National Interest Lands Conservation Act of 1980 is repealed. The amendment was defeated by a roll call vote of 17 ayes to 20 noes, as follows:

Ranking Democrat Nick J. Rahall II (D-WV) offered on behalf of Congressman Jay Inslee (D-WA) an amendment to Subtitle A to strike paragraph 6103(c)(3) entitled “Compliance with NEPA for Other Actions.” The amendment was defeated by a roll call vote of 16 ayes to 26 noes, as follows:

Chairman Pombo offered an amendment to Subtitle B (Miscellaneous Amendments Relating to Mining) to clarify that no mineral development lands within a unit of the National Park System, the National Wildlife Refuge System, the National Wild and Scenic Rivers System, the National Trails System, the National Wilderness Preservation System, any National Conservation Area, any National Recreation Area, or any National Monument would be available for purchase under amendments made by section 6204 of the Committee Print. The amendment was adopted by voice vote.

Congressman Jim Gibbons (R-NV) offered an amendment to Subtitle B to: 1) require applicants to pay \$1000 per acre or fair market value (whichever is greater) when patenting and purchasing mining lands under sections 6202 and 6204 of the Committee Print; 2) to eliminate ambiguity and inconsistency in section 6201 of the Committee Print; and 3) to tighten land patent privileges to ensure that only persons with actual for-profit mining operations may take advantage of the opportunity to patent under the alternative valuable mineral deposit criteria. The amendment was adopted by voice vote.

Congressman Tom Udall (D-NM) offered an amendment to strike Subtitle B. The amendment failed on a roll call vote of 18 ayes and 24 noes, as follows:



Congressman Tom Udall offered an amendment stating that nothing in Subtitle B (or any amendments made by it) should be construed to require or permit any activity affecting any lands within the boundary of any unit of the National Park System, National Wildlife Refuge System, National Wilderness Preservation System, or National Landscape Conservation System that would not have been required or permitted as of October 26, 2005. Congressman Jim Gibbons offered a substitute to the amendment which provided that subject to valid existing rights, nothing in sections 6202, 6203 and 6204 of Subtitle B shall affect any lands within the boundary of any unit of the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, the National Trails System, the National Wilderness Preservation System, or any National Conservation Area, National Recreation Area, or any National Monument as of the date of enactment of this Act. Chairman Richard Pombo offered two motions to add references to sections 6205 and 6206 and to insert a “be” before “construed” in the text of the Gibbons amendment. These motions were adopted by unanimous consent. The Gibbons substitute, as amended, was adopted by voice vote. The Tom Udall amendment, as amended, was then adopted by voice vote.

Congressman Inslee offered an amendment to Subtitle B to require the collection of an additional 8 percent royalty on any valuable mineral deposits extracted from federal lands. The amendment failed on a roll call vote of 18 ayes to 24 noes, as follows:

Congressman Tom Tancredo (R-CO) offered and withdrew an amendment to Subtitle C which would have required the competitive sale of certain Department of the Interior lands identified in a report submitted under section 390(g) of Public Law 104-127.

Congressman Mark Udall (D-CO) offered an amendment to Subtitle D (Oil Shale) to strike the expedited leasing and royalty system in the Subtitle and establish instead an alternative royalty system under existing law. The amendment was defeated on a roll call vote of 18 ayes to 22 noes, as follows:

Congressman Luis Fortuño (R-PR) offered an amendment to Subtitle E (Ocean Energy Resources) to allow Puerto Rico and the other territories of the United States to participate in the Ocean State Options Act of 2005. The amendment was adopted by voice vote.

Congressman Louie Gohmert (R-TX) offered and withdrew an amendment to Subtitle E entitled “State Hypocrisy Reform” which would bar States who do not permit the exploration or production of oil and gas on land within the State or within the contiguous coastal zone of the State from receiving oil or gas obtained from any other State.

Congressman Frank Pallone (D-NJ) offered an amendment to strike Subtitle E. The amendment was defeated on a roll call vote of 15 ayes to 25 noes, as follows:

Congresswoman Donna Christensen offered an amendment to strike Subtitle F (Sale and Conveyance of Federal Land). The amendment was defeated by voice vote.

The Committee Print was then ordered forwarded to the House Committee on the Budget in compliance with the reconciliation directive included in section 210(a) of the Concurrent Resolution of the Budget for Fiscal Year 2006 by a roll call vote of 24 ayes to 15 noes, as follows:

## SECTION-BY-SECTION ANALYSIS

### *Subtitle A - Arctic Coastal Plain Domestic Energy*

#### *Sec. 6101. Short Title.*

The short title of this Subtitle is the Arctic Coastal Plain Domestic Energy Security Act of 2005.

#### *Sec. 6102. Definitions.*

This section provides definitions for the Subtitle of “Coastal Plain”, which is a 1.549 million-acre area in northern Alaska, and “Secretary”, meaning Secretary of the Interior or her designee.

#### *Sec. 6103. Leasing Program for Lands Within the Coastal Plain.*

This section establishes and implements a competitive oil and gas leasing program for the Section 1002 Area of the Coastal Plain under the Mineral Leasing Act, including provisions for “no significant adverse effect,” and “best commercially available technology for oil and gas exploration.” The section repeals a prohibition of oil and gas leasing on federal and Native lands within the Coastal Plain (Alaska Natives own 92,000 acres within the Coastal Plain). The section deems the oil and gas program under this title to be compatible with the Arctic National Wildlife Refuge (ANWR) by stating that the 1987 Environmental Impact Statement (EIS) on ANWR oil development is sufficient to satisfy the National Environmental Policy Act for preparing regulations. However, the section requires an EIS for individual lease sales within 18 months after enactment.

In addition, the section ensures that State and local law is not affected. The Secretary of the Interior, after consulting with the State and local populace, may designate up to 45,000 acres on the Coastal Plain as Special Areas to protect those that are unique or sensitive. The section mandates a 4,000 acre Special Area called the Sadlerochit Spring Area and states that directional drilling under Special Areas may be allowed by the Secretary.

Finally, the section makes this Subtitle the Secretary’s sole authority to close lands on the Coastal Plain and requires regulations be developed no later than 15 months after enactment.

#### *Sec. 6104. Lease Sales.*

This section provides technical guidelines for timing of lease sales; the manner of the nominations, sales, and bids; and the minimum size of 200,000 acres for the lease sales. It also requires the first sale to be conducted within 22 months after the date of enactment.

#### *Sec. 6105. Grant of Leases by the Secretary.*

This section provides for grants of leases.

#### *Sec. 6106. Lease Terms and Conditions.*

This section sets standard terms and conditions for leases. It requires, as a term of a lease, negotiations to obtain a project labor agreement for oil and gas development in the 1002 Area. This section applies only to leases in ANWR, nowhere else. This provision addresses the lack of qualified labor on the remote North Slope of Alaska. It does not change existing laws or

policies with respect to project labor agreements. This provision is supported by the Bush Administration.

*Sec. 6107. Coastal Plain Environmental Protection.*

This section establishes an oil and gas program under a “no significant adverse effect” standard using “best commercially available technology.” It requires site-specific analyses of probable effects of development, and requires issuance of regulations, terms, conditions, and prohibitions before implementation of the leasing program. The section further requires compliance with all federal and State environmental laws, and a host of other requirements, stipulations, prohibitions, etc.

Under this section the Secretary of the Interior is to consider conditions required in the National Petroleum Reserve-Alaska, and several other protection standards. It also encourages facility consolidation to minimize footprint of development by limiting the total surface disturbance in the Coastal Plain to 2000 acres.

*Sec. 6108. Expedited Judicial Review.*

This section states that any challenges to this Subtitle must be filed within 90 days or within 90 days after the complainant knew or should have known of the grounds for the complaint. The case will be heard in the U.S. Court of Appeals for the District of Columbia. The section limits the scope of the review to whether terms of this Subtitle are complied with, and bases review on the administrative record.

*Sec. 6109. Federal and State Distribution of Revenues.*

This section provides 50-50 federal-State of Alaska share of revenues from leasing under the Subtitle, which is the same as other States under the Mineral Leasing Act.

*Sec. 6110. Rights-of-Way Across the Coastal Plain.*

This section ensures rights-of-way are granted pursuant to the Mineral Leasing Act with proper environmental conditions.

*Sec. 6111. Conveyance.*

This section conveys and clears title to approximately 4,000 acres of land to Alaska Natives in Kaktovik, Alaska. The Natives are entitled to this land pursuant to their aboriginal land claims settlement. Kaktovik gets the surface estate, and the Regional Corporation for the Natives gets the subsurface estate of the land. In addition, this section clears up some outstanding entitlements.

*Sec. 6112. Local Government Impact Aid and Community Service Assistance.*

This section sets up an impact aid program for any community in Alaska that can demonstrate impacts from development of oil and natural gas, with the most likely recipient being the Village of Kaktovik. It further states what the financial assistance may be used for and provides methods of applying for that assistance.

The financial aid will come from a fund capitalized by a transfer of up to \$11 million from federal oil and gas receipts received under this Subtitle. From this fund, up to \$5 million per year in grants may be made by the Secretary of the Interior, subject to appropriation.

### *Subtitle B – Miscellaneous Amendments Relating to Mining*

The land title transfer provisions of Subtitle B are responsive to the voices of the leaders of rural western communities. At hearings held in the west and in Washington, rural community leaders called for a process that would allow mine operators to take possession of the federal lands within their mines – enhancing the ability of the mine operators to work with local community groups to create opportunities for sustainable economic development once the mines close. Federal land management and reclamation policies were shown to be potentially destructive of invested capital in that all infrastructure must be removed upon mine closure, even if a potential post mining land use had been identified by a community which would benefit from the infrastructure.

During the debate on this Subtitle two amendments were offered that were not agreed to: one to strike the entire title, and the second to impose an eight percent royalty on all minerals produced from federal lands. The Committee believes that the royalties proposed by the amendment would not have raised revenue within the budget window. First, royalties imposed on production from existing claims raise the issue of takings under the Fifth Amendment to the Constitution, thus rendering their collection highly unlikely. Second, the practical problems of mine development and mine permitting ensure that any royalties on future production from new claims would be delayed far beyond the five year budget window. In the United States, the approval process for a mining project typically takes seven to ten years to complete. On the contrary, by charging \$1000 per acre or fair market value, whichever is greater, for the purchase of the surface of mining claims, as provided in this Subtitle, the public is ensured a fair return for the use of the mineral lands. If the status quo remains and no changes are made, it will take 160 years for the federal treasury to receive the same amount of money through the existing fee structure for any given claim.

#### *Section 6201. Fees for Recordation and Location of Mining Claims.*

This section amends the general mining law of the United States to facilitate the administration of the law benefitting the Administration and the holders of mining claims. The “prudent man test” (discovery of a valuable mineral deposit) in existing law has been moved to the patenting provision where it applies. The section establishes a mineral patent processing fee of \$2,500 for the first claim or mill site, and \$50 for each additional claim.

The rights of mining claim locators and claim holders who have filed the necessary paperwork and paid the location fee (a filing fee to record a mining claim with the federal government) and claim maintenance fee (annual fee paid to keep your mining claim) are defined.

Section 314 of Federal Land Planning and Management Act, which requires claim holders to file their claim location paperwork with the Bureau of Land Management, is moved to the mining law where it applies. This section also more than triples the claim “location” fee from \$30 to \$100.

This section restructures the claim maintenance fee to a tiered system for new claims, so that it is lower in the initial stages of exploration to encourage domestic investment, and higher once minerals are being produced from the claim and the property has a cash flow. Years 1 – 5 are \$35 per year; years 6 – 10 are \$70 per year; years 11 – 15 are \$125 per year; years 16 and beyond are \$150 per year. Regardless of age, and once minerals are being produced, the fee is \$200 per claim. The section provides a mechanism for existing claim holders to transition into the tiered system for a \$100 fee.

For new claims and claims that are transferred to the new tiered system, the claim holder is required to conduct work under a notice or approved plan of operation during each five year interval. Any work done under a plan of operation will require an environmental assessment or environmental impact statement to be approved. If no work is done the claim holder will be required to pay the location fee in addition to the claim maintenance fee in years 6, 11, and 16 respectively.

A waiver of the work requirement, fee increase, and additional location fees are allowed if the work was held up as a result of administrative or legal delays.

This section further establishes an annual \$25 per claim fee for small miners (defined as holding ten claims or less) for the life of the claim and eliminates the small miner's annual labor requirement.

It also establishes a process that allows the claim holder to have the opportunity to maintain his claims if he misses the annual maintenance fee payment deadline of September 1. Current law holds if you miss the deadline for any reason, you lose your claim. The claim holder has a "grace period" of 45 days after receipt of a notice from the Secretary to pay a penalty – double the required maintenance fee – to maintain ownership of his claims. If he fails to pay within this 45 day window, he loses his claim. The section also allows the Secretary of the Interior, in consultation with the Governor of Alaska, to set a maintenance fee payment date not more than sixty days later than September 1.

This provision does not open new lands to claim staking; withdrawn lands remain closed as before.

#### *Section 6202. Patents for Mining or Mill Site Claims.*

This section repeals the mineral patent moratorium and establishes a per acre fee of \$1,000, or fair market value, whichever is greater for the purchase of lands subject to mining claims; this is called patenting. The patent applicant must provide an appraisal completed by a certified land appraiser. The appraisal must conform to the Uniform Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice.

The section changes the mineral patent "labor" requirement from \$500 per claim to a "mineral development work" requirement of \$7,500 per claim. It also allows claim holders who filed for a mineral patent and paid the required patent processing fees, but were not issued their first half final certificate when the mineral patent moratorium was first passed in 1994, to proceed under the old rules.

The section provides two alternatives to the traditional mineral "validity exam" required to determine if the claim holder has located a valuable mineral deposit. Under one scenario, an agency mineral examiner conducts a field examination of the claims included in the patent application, the examiner may take samples, sample drill core or drill additional holes to verify the mineral discovery, from there he makes a determination as to the economic validity of the discovery. Alternatively, a claim holder who is conducting mining activities that meet the definition of a mine under section 3(h) of the Federal Mine Safety and Health Act of 1972, can patent the unpatented mining claims and mill sites within his approved plan of operations. The Secretary must confirm that the minerals being mined are locatable under the general mining law and that actual sales of minerals have taken place; or if a claim holder whose proven and probable reserves are publicly disclosed to the Securities and Exchange Commission may receive a patent for the claims containing such reserves. The section allows patent applicants to pay for third party mineral examiners who have been trained and approved by the Bureau of Land Management. The Secretary may charge for the mineral examiner training.



If no adverse claims are filed, the Secretary must issue the patent within 24 months. The section also sets the small miner (defined as holding ten claims or less) patent processing fee and mineral development work requirements to one-fifth of what is required for larger operations.

Proceeds from land conveyed under the patenting provisions are distributed in the following manner: 70 percent to the federal treasury; 20 percent to the Secretary of the Army for use, through the Corps of Engineers, for the restoration of Abandoned Mine Sites Program and section 560 of the Water Resources Development Act of 1999; and 10 percent to the Federal Energy and Mineral Resource Professional Development Fund.

Subject to valid existing rights, this subsection does not apply with respect to any unit of the: National Park System; National Wildlife Refuge System; National Wild and Scenic Rivers System; National Trails System; a National Conservation Area; a National Recreation Area; a National Monument; or the National Wilderness Preservation System.

There are approximately 360,000 acres of federal land subject to mining claims that are in the process of being explored, developed or mined under an approved or pending plan of operations, some of which may qualify for purchase under this section.

This provision does not open new lands to claim staking; withdrawn lands remain closed as before.

All mining operations, whether located on federal, State, county or private lands, must be in compliance with applicable federal, State and local environmental, mine closure and/or zoning laws in order to operate.

#### *Section 6203. Mineral Examinations for Mining on Certain Lands.*

This section prohibits the Secretary of the Interior from requiring a mineral examination report as a condition of approving a plan of operations for claims and mill sites located on withdrawn lands if such claims are contiguous to patented or unpatented mining claims where mineral development activity including mining has been conducted as authorized by law or regulation.

Subject to valid existing rights, this subsection does not apply with respect to any unit of the: National Park System; National Wildlife Refuge System; National Wild and Scenic Rivers System; National Trails System; a National Conservation Area; a National Recreation Area; a National Monument; or the National Wilderness Preservation System

This provision does not open new lands to claim staking; withdrawn lands remain closed as before.

#### *Section 6204. Mineral Development Lands Available for Purchase.*

This section directs the Secretary to make mineral development lands available for purchase, including those areas that have been mined, at \$1,000 per acre or fair market value, whatever is higher, to facilitate sustainable economic development. Mineral development work requirements and the adjudication fees (patent processing fees) are identical to the mineral patent requirements.

The applicant must provide an appraisal and land survey to the Secretary. The appraisal must be completed by a certified land appraiser, the appraisal must conform to the Uniform Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal

Practice, and the appraisal must have been completed within 120 days of the application filing date.

This provision allows for the purchase of mine sites at mine closure that would not meet the “law of discovery” requirement in the patenting provision, because the ore has been mined out. By purchasing the surface estate of these lands, the company would be able to leave the infrastructure, such as power transfer stations, power lines, roads, and shop buildings, in place so that they can be used for other types of economic development opportunities in support of the host community.

This provision would also allow for the purchase of slivers and small parcels of federal land that did not meet the “discovery” test within or adjacent to lands that have been patented and mined or are being mined. These slivers and small parcels are difficult for the Bureau of Land Management and U.S. Forest Service to manage.

This provision also provides a mechanism for mining companies to consolidate their land holdings where their operations are located on a mix of federal and private lands. This benefits the land management agencies, local government, and the operating company.

The provision defines who is eligible to participate in the program and describes “mineral development work.”

The federal government is indemnified from any environmental liability that may be due to its management and ownership of the lands conveyed.

Proceeds from land conveyed under the patenting provisions are distributed in the following manner: 70 percent to the federal treasury; 20 percent to the Secretary of the Army for use, through the Corps of Engineers, for the restoration of Abandoned Mine Sites Program and section 560 of the Water Resources Development Act of 1999; and 10 percent to the Federal Energy and Mineral Resource Professional Development Fund.

Subject to valid existing rights, this subsection does not apply with respect to any unit of the: National Park System; National Wildlife Refuge System; National Wild and Scenic Rivers System; National Trails System; a National Conservation Area; a National Recreation Area; a National Monument; or the National Wilderness Preservation System.

There are approximately 360,000 acres of federal land subject to mining claims that are in the process of being explored, developed or mined under an approved or pending plan of operations, some of which may qualify for purchase under this section.

This provision does not open new lands to claim staking; withdrawn lands remain closed as before. In order for a company or individual to meet the “mineral development work” requirements for a “direct sale,” the project will have been through the environmental review process under the National Environmental Policy Act.

All mining operations, whether located on federal, State, county or private lands, must be in compliance with applicable federal, State and local environmental, mine closure and/or zoning laws in order to operate.

#### *Section 6205. National Mining and Minerals Policy to Facilitate the Productive Second Use of Lands.*

This section amends section 101 of the Mining and Minerals Policy Act of 1970 to include “remining” in paragraph (2) and adds a fifth paragraph to facilitate the productive second

use of lands used for mining and energy production. It also adds the words “whether located onshore or offshore” at the end of the second sentence and directs each federal department and agency to comply with the policy.

Subject to valid existing rights, this subsection does not apply with respect to any unit of the: National Park System; National Wildlife Refuge System; National Wild and Scenic Rivers System; National Trails System; a National Conservation Area; a National Recreation Area; a National Monument; or the National Wilderness Preservation System

This provision does not open new lands to claim staking; withdrawn lands remain closed as before.

#### *Section 6206. Regulations.*

This section directs the Secretary to issue final regulations implementing the mining provisions within 180 days of enactment.

Subject to valid existing rights, this subsection does not apply with respect to any unit of the: National Park System; National Wildlife Refuge System; National Wild and Scenic Rivers System; National Trails System; a National Conservation Area; a National Recreation Area; a National Monument; or the National Wilderness Preservation System.

This provision does not open new lands to claim staking; withdrawn lands remain closed as before.

#### *Section 6207. Protection of National Parks and Wilderness Areas.*

This provisions clarifies that subject to valid existing rights, sections 6202, 6203, 6204, 6205 and 6206 of this Subtitle shall not be construed as affecting any lands within the boundary of any unit of the National Park System, National Wildlife Refuge System, the National Wild and Scenic Rivers System, the National Trails System, or any National Conservation Area, any National Recreation Area, any National Monument, or any unit of the National Wilderness Preservation System as of the date of the enactment of this Act.

### *Subtitle C – Disposal of Public Lands*

#### *Chapter 1 – Disposal of Certain Public Lands in Nevada*

##### *Sec. 6301. Short Title.*

This section provides a short title for the Chapter, the Northern Nevada Sustainable Development in Mining Act.

##### *Section 6302. Definitions.*

This section provides definitions for the Chapter.

##### *Sec. 6303. Land Conveyance.*

This section directs the Secretary of the Interior to convey to Coeur Rochester, Inc. all rights, title and interest in approximately 7,000 acres of federal lands subject to the claimant’s mining claims. The land is located in Pershing County, Nevada and is currently being mined by Coeur Rochester. The section requires the mine closure National Environmental Policy Act

document to be completed, and exempts the Department of the Interior from any environmental liability accruing from its ownership and management of the lands conveyed.

*Sec. 6304. Disposition of Proceeds.*

This section provides the sale price of the acreage. The sales price is \$3.5 million. Of this amount, \$500,000 goes to the Nevada State Abandoned Mine Land Reclamation program; \$100,000 to Pershing County; and the remainder, \$2.9 million, to the general fund of the treasury.

The Coeur Rochester mine project has been through the National Environmental Policy Act environmental review process, and is in the process of completing an Environmental Impact Statement for mine closure.

The Rochester Mine – the largest employer and economic driver in Pershing County – is at the end of its mine life and will be closing within two years. The Coeur Rochester Mining Company is developing plans for post-mining projects on-site, including a land fill, which would not be an allowable use on federal lands. This directed sale is supported by the County and will help sustain the economy of the region. Absent this sale authority, the Bureau of Land Management indicated it would take a minimum of five years to complete a sales transaction for the land fill project to move forward.

The Coeur Rochester Mine sustainable development project has been described in detail at two different Energy and Mineral Resources Subcommittee oversight hearings on ‘Sustainable Development Opportunities in Mining Communities.’ Both company representatives and community representatives testified.

*Chapter 2 – Disposal of Certain Public Lands in Idaho*

*Sec. 6311. Short Title.*

The short title of this Chapter is the Central Idaho Sustainable Development in Mining Act.

*Sec. 6312. Definitions.*

This section provides definitions for the Chapter.

*Sec. 6313. Land Conveyance.*

This section directs the Secretary to convey to TDS LLC, an affiliated company of L&W Stone Corporation approximately 519.7 acres of federal lands currently subject to the TDS LLC’s mining claims. It exempts the Department of the Interior from any environmental liability accruing from its ownership and management of the lands conveyed.

L&W Stone is one of the largest employers and economic drivers in Custer County. Without this directed sale, the company will be required to scale back production, forcing it to lay off 50 percent or more of its employees, jeopardizing the long-term economic viability of the project and severely affecting the economy of the surrounding community.

*Sec. 6314. Disposition of Proceeds.*

Of the \$520,000 sales price, \$200,000 will go to the State of Idaho for use in the State parks program; \$200,000 will go to Custer County; and the remainder, \$120,000, will go to the general fund of the treasury.

The L&W Stone quarry has been vetted through the National Environmental Policy Act environmental review process, and has an approved mining and reclamation plan.

#### *Subtitle D – Oil Shale*

##### *Sec. 6401. Oil Shale and Tar Sands Amendments.*

This section strengthens the new oil shale program implemented through the Energy Policy Act of 2005 by establishing a royalty framework built upon a successful Canadian model that helped spur more than 1 million barrels/day in oil production from Alberta's oil sands.

The section directs the Secretary of the Interior to conduct a commercial lease sale of at least 35 percent of federal lands containing oil shale and oil sands in Wyoming, Colorado and Utah within three years.

The section ensures "host" States retain two-thirds of the non-federal share of oil shale and tar sands lease receipts, and ensures one third goes to counties "hosting" the oil shale and tar sands production. Further, during the first ten years of production from a lease, the State and counties will receive 80 percent of the federal share of lease revenues. These funds may be used by the State and counties to support infrastructure related to oil shale and tar sands production.

The section also states that the programmatic environmental impact statement (EIS) developed for the oil shale program as mandated in the Energy Policy Act of 2005 will be sufficient for all oil shale and oil sands lease sales conducted within the first 10 years. This strengthens environmental protections by forcing a new EIS to be conducted after 10 years.

#### *Subtitle E – Ocean Energy Resources*

##### *Sec. 6501. Short Title.*

This Subtitle may be cited as the "Ocean State Options Act of 2005."

##### *Sec. 6502. Policy.*

Adjacent States (ocean states) incur expenses in support of outer Continental Shelf (OCS) activities and should receive a portion of the receipts from these activities. Existing laws have reduced production of minerals, have pre-empted State involvement in mineral resource development decisions, and have been harmful to the national interest.

Adjacent States should have more options whether mineral leasing should occur within their Adjacent Zones. At certain distances offshore, it is not reasonably foreseeable that mineral exploration and development activities will adversely affect resources near the coastline.

Inland waters, including the Great Lakes, Long Island Sound, Delaware Bay, Chesapeake Bay, Albemarle Sound, San Francisco Bay, and Puget Sound are not part of the outer Continental Shelf and are not subject to oil and natural gas leasing by the federal government.

##### *Sec. 6503. Definitions under the Outer Continental Shelf Lands Act.*

Defines terms such as “Adjacent State,” “Adjacent Zone,” “Neighboring State,” and other necessary terms, and includes Puerto Rico and the other Territories of the United States under the definition of “State.”

*Sec. 6504. Determination of Adjacent Zones and Planning Areas.*

This section designates State Adjacent Zones and OCS Planning Areas on maps incorporated into the bill by reference. Maps are drawn using medial lateral boundary principles with equitable adjustments on a proportional basis. Among other things, the maps ensure that all coastal States have Adjacent Zones that extend to the outer edge of the United States Exclusive Economic Zone (approximately 200 miles from the shoreline or to the extent of the OCS if farther away).

Without this equitable provision, the Adjacent Zones of seven coastal States would be “pinched-out” close to the coastline. Further, provides that the line between the Alabama and Florida Adjacent Zones extends due south from the coastline for 125 miles.

*Sec. 6505. Administration of Leasing.*

This section provides that a lessee may voluntarily relinquish a part of its oil and/gas producing lease if the Secretary finds that the part of the lease to be relinquished is geologically prospective. In return, the Secretary shall provide the lessee with a royalty incentive on the portion of the lease retained by the lessee. This provision is expected to make large deep gas prospects on the Gulf of Mexico OCS available for leasing and production, while keeping the existing depleting fields in production.

This section also provides for natural gas preference lease regulations, and provides for the Secretary of the Interior to issue regulations. It limits natural gas preference leases to tracts wholly within 125 miles of the coastline within areas withdrawn from leasing on the day after the date of enactment of this Subtitle.

*Sec. 6506. Grant of Leases by Secretary.*

This section provides authority for the Secretary of the Interior to issue a second lease on a tract, a part of which was voluntarily relinquished under section 6505. It further encourages alternative energy development by increasing the Adjacent State’s share of receipts from alternative energy and other activities on the OCS from 27 to 50 percent, and extends the distance within which sharing applies from 15 miles to 200 miles. It authorizes the Secretary to grant natural gas leases within 125 miles of the coastline.

It defines the provisions of a natural gas lease, provides a process for possible production of crude oil from the lease, provides for repurchase of a natural gas lease under certain circumstances, and provides for a preference right for the lessee in case of future oil and gas leasing.

The section removes restrictions on joint bidders within the Alaska OCS Region and within other areas where the Secretary determines the tracts to be “frontier tracts” or otherwise “high cost tracts.”

The section eliminates receipts sharing under section 8(g) of the Outer Continental Shelf Lands Act effective October 1, 2013 (because new sharing provisions supersede the section 8(g) sharing).

*Sec. 6507. Disposition of Receipts.*

Receipt sharing from some OCS leases begins on January 1, 2006, with sharing from the remaining leases beginning with receipts generated after October 1, 2010. The section allocates, using formulas (for current program areas phased-in over a period of time) for 40 percent of receipts to Adjacent States, nearby States, all producing States, the new Federal Energy Natural Resources Enhancement Fund (section 6514), the new Federal Energy and Mineral Resources Professional Development Fund (section 6523), and the new National Geologic Data and Mapping Fund (section 6526). A large part of the receipts shared with States are further shared with local coastal political subdivisions.

The section provides that shared funds may be used: (1) to reduce in-State college tuition and otherwise support public education, including career technical education; (2) to make transportation infrastructure improvements; (3) to reduce taxes; (4) to promote and provide for coastal or environmental restoration, fish, wildlife, and marine life habitat enhancement, waterways maintenance, shore protection, and marine and oceanographic education and research; (5) to improve infrastructure associated with energy production activities conducted on the OCS; (6) to fund energy demonstration projects and supporting infrastructure for energy projects; or (7) for any other purpose as determined by State law.

The section further provides that no State or local government recipient of funds under these provisions shall be required to account to the federal government for the expenditure of the funds unless otherwise provided by law. Shared funds may be used as matching funds for other federal programs.

*Sec. 6508. Review of Outer Continental Shelf Exploration Plans.*

This section requires the holder of oil and gas, or natural gas, lease to submit an exploration plan to Secretary of the Interior for review for compliance with mandated lease terms and applicable statutes and regulations.

*Sec. 6509. Reservation of Lands and Rights.*

This section clarifies that the President has the authority under section 12 of the Outer Continental Shelf Lands Act to completely revise or revoke any prior Presidential withdrawal. Further, withdrawals shall be for a term not to exceed ten years at any one time. It provides that the President, when considering a potential withdrawal, shall, to the maximum extent practicable, accommodate competing interests and potential uses of the OCS.

This section also codifies until June 30, 2012, areas withdrawn from leasing within the Atlantic, Gulf of Mexico, and Pacific OCS Regions by the President and prohibits the Secretary of the Interior from offering these withdrawn areas from leasing unless the Adjacent State petitions to “opt-out” of the withdrawal.

This section provides a method for Adjacent States (the Governor with concurrence of the State legislature) to seek approval from the Secretary to “opt-out” of any withdrawals, including the option of the State to request oil and natural gas leasing, or natural gas leasing.

States may only petition for natural gas leasing within 125 miles of the coastline. Leasing may not take place within 25 miles of the nearest point of the coastline of a Neighboring State, nor may an oil and gas lease be issued within 50 miles of the coastline of a Neighboring State, UNLESS the Neighboring State has leasing within those same distances OR expresses its concurrence.

This section directs the Secretary to amend the existing OCS Five-Year Program to include leasing in areas where a State’s petition to “opt-out” has been approved. It also provides

States whose Adjacent Zone contains an area withdrawn from leasing the option of petitioning to extend the existing Presidential withdrawals in up to five-year increments ad infinitum, with a total of 10 years of withdrawal left at any one point in time. Any petition will be by the Governor with concurrence of the State legislature.

The section also amends the 2002-2007 OCS Five-Year Program to provide for two lease sales in the areas added to the Gulf of Mexico OCS Region Central Planning Area. It provides that any future leasing in the so-called “stovepipe” area within the Alabama Adjacent Zone would require the concurrence of Alabama and Florida.

*Sec. 6510. Outer Continental Shelf Leasing Program.*

This section provides that the Secretary of the Interior shall include projections of OCS receipts sharing within each Five-Year leasing program as if all areas would be available for leasing. The Secretary shall also include a macroeconomic estimate of the impact of such leasing on the national economy and each State’s economy, including investment, jobs, revenues, personal income, and other categories.

The provision restricts the Five-Year Program to three versions rather than the current four, requires that the Program include 75 percent of the available, unleased acreage in each OCS planning area, and requires analysis of leasing all areas without regard to other law affecting such leasing.

This section provides for resolution by the President of any unresolved conflicts between use of the OCS for military purposes and energy production.

*Sec. 6511. Coordination with Adjacent States.*

This section provides that no federal agency may permit or approve, without the concurrence of the Adjacent State, the construction of a crude oil or petroleum products pipeline (or both) within the part of the State’s Adjacent Zone that is not available by law for oil and gas leasing or natural gas leasing, with one exception for crude oil produced from the State’s Adjacent Zone.

It further provides that States may not prohibit the landing of a natural gas pipeline transporting natural gas from the OCS; however, a State may veto a particular landing location if it proposes two acceptable landing locations within 50 miles on either side of the proposed location.

*Sec. 6512. Environmental Studies.*

This section provides for categorical exclusions under the National Environmental Policy Act (NEPA) for suspensions and preliminary activities on an offshore lease that has no, or minor, impact on the environment. Provides that the Environmental Impact Statement (EIS) under NEPA for the Five-Year Leasing Program is sufficient for all lease sales to be conducted under the Program. It further provides that OCS exploration plans shall not require an EIS, and may be categorically excluded because history has shown that exploration plans cause only minor impacts, if detectable.

The section strengthens environmental review provisions by requiring that at least every 10 years a development plan in each planning area must be subject to an EIS. Current Outer Continental Shelf Lands Act provisions only require the first development plan in each OCS Region to be subject to an EIS.



*Sec. 6513. Review of Outer Continental Shelf Development and Production Plans.*

This section requires the holder of oil or natural gas lease to submit a development and production plan to Secretary of the Interior for review for compliance with mandated lease terms and applicable statutes and regulations. The section also requires collaboration between Secretary of the Interior and Affected State's Governor.

*Sec. 6514. Federal Energy Natural Resources Enhancement Fund Act of 2005.*

This section establishes a fund for the monitoring, management, and enhancement of wildlife and fish and their habitats, and air, water, and other natural resources related to energy and minerals development on federal onshore and offshore lands.

The fund will receive 2.5 percent of federal mineral leasing bonus bids and royalties, onshore and offshore phased-in over ten years. One-third of the Fund is paid annually to the Secretary of the Interior for use by the Fish and Wildlife Service, Bureau of Land Management, and the Minerals Management Service. Two-thirds of the Fund will go to the State from which the revenues were derived.

*Sec. 6515. Termination of Effect of Laws Prohibiting the Spending of Appropriated Funds for Certain Purposes.*

This section eliminates any existing OCS leasing moratoria provisions for the current fiscal year.

*Sec. 6516. Outer Continental Shelf Incompatible Use.*

This section protects against OCS uses that are incompatible with "substantially full" exploration and production of oil and natural gas from geologically prospective tracts in areas that are available for leasing by law. The President may allow exceptions based on a national interest finding.

*Sec. 6517. Repurchase of Certain Leases.*

This section authorizes regulations for the Secretary of the Interior to repurchase and cancel onshore and offshore leases if the lease is not allowed to be explored and/or developed under certain circumstances. A similar provision was included in H.R. 6 of the 109<sup>th</sup> Congress as approved by the House of Representatives on April 21, 2005.

*Sec. 6518. Offsite Environmental Mitigation.*

This section provides that the Secretary shall allow offsite mitigation if the mineral lessee (onshore or offshore) makes a proposal that generally achieves the purpose for which mitigation measures appertain.

*Sec. 6519. Amendments to the Mineral Leasing Act.*

This section updates the Mineral Leasing Act to be more compatible with OCS development by requiring compliance with plan review, revision, and completeness procedures.

*Sec. 6520. Minerals Management Service.*

This section renames the “Minerals Management Service” in the Department of the Interior as the “National Offshore Energy and Royalty Service.” Limits director to having one deputy director.

*Sec. 6521. Authority to Use Decommissioned Offshore Oil and Gas Platforms and Other Facilities for Mariculture, Artificial Reef, Scientific Research, or Other Uses.*

This section provides that decommissioned offshore oil and gas production platforms may be retained in place as artificial reefs and for other purposes. It also provides for regulation of such facilities, and provides that Adjacent States may require removal of such platforms within 25 miles of the coastline.

This section gives the Secretary of the Interior guidance in processes required for proper decommission of platforms and other studies.

*Sec. 6522. Repeal of Requirement to Conduct Comprehensive Inventory of OCS Oil and Natural Gas Resources.*

This section repeals section 357 of the Energy Policy Act of 2005 (Public Law 109-58; 119 Stat. 720; 42 U.S.C. 15912) which requires the Secretary of the Interior to conduct a comprehensive inventory, including 3-D seismic surveys, of all OCS lands. The Secretary has no funds to contract for 3-D seismic surveys and the resource assessment part of the inventory is duplicative of other law.

*Sec. 6523. Mining and Petroleum Schools.*

This section establishes the Federal Energy and Mineral Resources Professional Development Fund.

It gives the Secretary of the Interior the authority to make deposits into the Fund – two percent (phased in over 10 years) of federal onshore and offshore oil and gas and other minerals receipts. The Fund is to maintain and encourage the growth of the energy and minerals workforce by supporting programs at colleges, universities, community colleges, tribal colleges, and technical institutes for career technical education programs to train skilled workers in the oil and gas, coal and mineral mining industries. Additionally funds can go to support State-approved programs at secondary schools offered cooperatively with higher education institutions that provide career technical education for agriculture, forestry, fisheries, utilities, construction, manufacturing, and transportation and warehousing.

This section repeals the currently unfunded and inoperative Mining and Mineral Resource Institutes Act of 1984 and makes it a national policy to preserve and foster the human capital necessary for national economic, energy and minerals security.

Funds go to support existing programs at ABET-accredited petroleum and mining schools, applied geology and geophysics programs, and to individuals for degrees in petroleum and mining engineering, petroleum/mining geology and geophysics and mineral economics.

All university level schools accepting funds have a duty to increase the number of undergraduates enrolled in the supported programs and to produce more engineers, geologists and geophysicists for the petroleum and mining industries.

Oversight and administration of the program is vested in the Secretary of the Interior and in a committee comprised of State and industry officials.

*Sec. 6524. Onshore and Offshore Mineral Lease Fees.*

This section prevents creation of new fees by the Secretary of the Interior applicable to federal onshore and offshore mineral leases that were not in effect on January 1, 2005, and sets cap on increase of existing fees concerning mineral leases.

*Sec. 6525. Atlantic and Pacific OCS Region Headquarters.*

This section requires the Secretary of the Interior to establish Atlantic and Pacific OCS Region headquarters by January 1, 2008, and provides location guidelines. The section further provides that the Atlantic and Pacific regional directors shall be employees within the Senior Executive Service.

*Sec. 6526. National Geologic Data and Mapping Fund Act of 2005.*

This section establishes the National Geologic Data and Mapping Fund. It directs the Secretary of the Interior to deposit into this Fund 0.5 percent (phased-in over 10 years) of federal onshore and offshore oil and gas and other minerals receipts.

The section directs the Secretary of the Treasury to annually convey one third of the Fund to the Secretary of the Interior and two thirds to the States (based on a formula devised by the Secretary of the Interior) to conduct geologic mapping and preserve and make geologic data available for use.

*Sec. 6527. Leases for Areas Located Within 100 Miles of California or Florida.*

This section grants the Secretary of the Interior the authority, on request of a lessee, to cancel existing oil and gas leases located completely within 100 miles of the coastline within the California and Florida Adjacent Zones and exchange them for new leases at least 100 miles from the coastline but not completely beyond 125 miles from the coastline.

Such new leases shall be subject to any applicable national defense operating restrictions. Directs that any exploration plan submitted to the Secretary after the date of enactment and before July 1, 2012, for an oil and gas lease wholly within 100 miles of the coastline within the California and Florida Adjacent Zones shall not be treated as received by the Secretary until the earlier of July 1, 2012, or the date on which a State petition for leasing in the area was approved.

It provides further requirements for cancellation and exchange of these leases. The section provides that an existing oil and gas lease located partially within 100 miles of the coastline within the Florida Adjacent Zone may only be developed and produced using wells drilled from well-head locations at least 100 miles from the coastline to any bottom-hole location on the area of the lease.

*Subtitle F - Sale and Conveyance of Federal Land*

*Section 6601. Sale and Conveyance of Federal Land.*

This section requires the Secretary of the Interior to make available for immediate sale through a competitive sale process at fair market value 19 parcels of federal land located in the District of Columbia. It also directs the Secretary to convey title of 13 parcels of federal land to the District of Columbia and transfer administrative jurisdiction of ten parcels of federal land from the District of Columbia to the National Park Service.

**COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS**

Regarding clause 2(b)(1) of Rule X and clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

### **CONSTITUTIONAL AUTHORITY STATEMENT**

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact this bill.

### **GENERAL PERFORMANCE GOALS AND OBJECTIVES**

The general performance goal or objective of this bill is to reduce the budget deficit by increasing reliable domestic energy supplies, selling surplus federal lands to aid local communities in economic development, and modernizing the Nation's mining laws by increasing patent and claim maintenance fees.

### **CONGRESSIONAL BUDGET OFFICE COST ESTIMATE**

*[to be supplied at a later date]*

### **COMPLIANCE WITH PUBLIC LAW 104-4**

This Committee Print contains no unfunded mandates.

### **PREEMPTION OF STATE, LOCAL OR TRIBAL LAW**

This Committee Print is not intended to preempt any State, local or tribal law.

### **CHANGES IN EXISTING LAW**

## **ADDITIONAL AND DISSENTING VIEWS**